

IV. Remarks

Claims 2, 3 and 5 - 24 are pending in the application. The application has been amended to more particularly point out and distinctly claim the subject matter of the invention. With regard to the various bases of the **DETAILED ACTION**, applicant responds:

Specification

The status of Application for United States Letters Patent Serial No. 08/620,218 (sic) is corrected to refer to application 08/680,218 and updated to refer to United States Letters Patent No. 5,930,778.

Claim Rejections - 35 USC § 112

The corrections and suggestions of the Examiner have been considered. Applicant believes that the issues concerning antecedent basis and other matters of definition are resolved in the set of amended claims presented herein.

Claim Rejections - 35 USC § 102

Regarding the rejection of claims 1 - 17 as being anticipated under 35 USC 102(b) by Stephens *et al.*, applicant submits that while Stephens *et al.* discloses certain components involved in payment system processing, Stephens *et al.* is directed to a conventional check presentment clearing house settlement scheme among multiple banking institutions. Stephens *et al.* does not describe the relationship set out in independent claims 18, 19 and 24 among payors, a unique

payee, a capture facility for receiving payments, the banks (*i.e.*, account custodians) of the payors and the payee, the payment system, and the payee's record of accounts, by which paper and electronic instruments received by the capture facility are directly introduced into the payment system for collection, eliminating the need for the payor's bank to receive the instruments as an intermediary. The resulting funds received from payee's banks in the course of clearing and settlement in the payment system are deposited into the payee's account and/or recorded in the payee's records.

The present Specification notes at pages 2 through 8:

The receipt of 10,000 to 1,000,000 or more checks or EPIs (used as a term herein to refer generically to a financial instrument, or payment instruction to deliver value equivalent to cash, in electronic form) drawn on numerous different banks is not unusual for many large businesses such as credit card issuers, utilities, mail order processors, and other large commercial entities. In situations where large numbers of checks and EPIs are involved, the handling of individual checks and EPIs and effecting their posting, deposit and clearing is a complex multiple step process.

....

There exists a need for a system whereby the conventional deposit and collection of funds represented by a check or other financial instrument, whether the instrument be paper or electronic, may be expedited and the internal processing thereof made more efficient, particularly for businesses that regularly receive large numbers of checks EPIs and other forms of payments from their customers. The invention eliminates repetitive processing steps and begins the banking process at the payee's point of receipt as an adjunct to the payee's internal accounting.

The claimed invention is "payee-centric." Payments from disparate customers, for example, of a utility, credit card processor or department store, are made from various accounts and processed upon receipt. The payee's payment is recorded in the payor's records. The payment funds are collected when the multiple payment instruments from multiple institutions are associated with cash letters and delivered

into the payment system, whereby, the aggregate payee funds are credited and paid to the payor's bank and deposited in the payor's account. The claimed system eliminates the duplicative handling of financial instruments by a payee and its bank, reducing processing steps needed for recording a payment and collecting the funds represented by a payment instrument. Essentially, in the same step, or at the same time, when an account payment is posted by a payee, the instrument representing the payment is prepared and queued for delivery into a payment system or clearing house. Duplicative handling is eliminated; float, processing time, and processing steps are reduced.

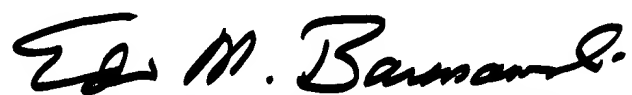
Stephens *et al.* does not disclose such a system. Applicant accordingly submits that the rejection of the claims as being anticipated under 35 USC 102(b) should be withdrawn.

Conclusion

As evidenced by the foregoing amendments and remarks, it is respectfully submitted that the present application is in form for allowance. Should the Examiner have any questions or suggestions in view of the foregoing, the Examiner is requested to telephone applicant's undersigned attorney.

Reexamination, reconsideration and allowance are respectfully requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed M. Baranowski", written in a cursive style.

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I hereby certify that this RESPONSE TO THE OFFICIAL COMMUNICATION MAILED ON OCTOBER 2, 2002 accompanied by a petition for an extension of time (Form PTO/SB/06), Fee Transmittal (Form PTO/SB/17) and Transmittal Form (Form PTO/SB/21) are being deposited with the United States Postal Service with sufficient postage for Express Mail in an envelope, Receipt Number EV2041332940US, addressed to Commissioner for Patents, Washington, D.C. 20231, on March 26, 2003.



Edwin M. Baranowski

In the application:

Serial No.: 09/309,131
Inventor: Terry I. Geer
Filed: May 10, 1999
For: System For Depositing And Submitting Commingled Paper And
Electronic Financial Instruments Into The Payment System And
For Effecting The Payment Thereof
Group Art Unit: 3624
Examiner: Sandra S. Snapp
Atty. Docket No.: 0258100-100244
